

State of Utah

Department of Natural Resources

MICHAEL R. STYLER Executive Director

Division of Oil, Gas & Mining

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR. Governor

GARY R. HERBERT Lieutenant Governor

January 11, 2007

CERTIFIED RETURN RECEIPT 7004 2510 0004 1824 4363

Curtis Larkin Gypsum Resources Development, Inc 1947 North 2050 East Layton, Utah 84040

Subject: Extension of Requirements of Stipulation Agreement, White Cap Mine,

M0150047, Emery County, Utah

Dear Mr. Larkin:

The Division has been made aware of your request to extend the time allowed to complete the requirements of the Stipulation Agreement associated with the White Cap #8 mine, Cause Number S/015/047. We understand that the Board secretary will schedule this matter on the agenda of the February Board hearing to be held on February 28, 2007 and you will need to appear at that hearing to justify your request. Because of the drawn out nature of this matter, the Division is concerned about further extensions. However, we will not oppose the extension as long as you can provide the following:

- By January 30, 2007, GRD must provide some written documentation or proof of the arrangement entered into with Neilson Construction to take over the site. (You may want to complete a transfer application, which would transfer the permit to Neilson Construction. The transfer form MR-TRS can be found on the Division's website.)
- By February 21, 2007, additional reclamation surety must be provided for the White Cap #8 mine in the amount of \$8,600. This will bring the total bond for the site to \$18,600, which is the Division's average cost for reclamation of a 5-acre mine site.

Page 2 Curtis Larkin M0150047 January 11, 2007

Should the above items not be provided, the Division may not be able to support your extension request and may proceed under the authorization in the prior Order with forfeiture of the existing bond.

Please call me at (801) 538-5325 if you have any questions.

Sincerely,

Daron R. Haddock Permit Supervisor

2 Haddock

DRH/pb

cc: Mary Ann Wright Steve Alder

Julie Carter

P:\GROUPS\MINERALS\WP\M015-Emery\S0150047-GRD-whitecap#8\final\extensionltr.doc